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ESTIMATE OF THE SIGNIFICANCE
OF THE SOVIET KOREAN
CEASE-FIRE PROPOSAL

An Intelligence Estimate
Prepared by
The Estimates Group
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SIGNIFICANCE OF SOVIET KOREAN CEASE-FIRE PROPOSAL

Moscow's seriousness in its efforts to secure at least a temporary end to the Korean fighting is strongly indicated by Gromyko's explanatory statement to Ambassador Kirk and by the tone of Soviet press comment.

There remains, of course, a possibility that in the cease-fire discussions themselves the Communists will hold out for at least implied political conditions, or propose that the cease-fire be for a limited time during which a "satisfactory" settlement must be worked out. The Kremlin might hope thus to secure Western commitments that would ultimately satisfy long-standing Communist demands, or, failing this, to use the abortive discussions to further differences in the Western camp as well as to give added evidence of US "aggressiveness."

There also remains a second possibility that the Soviet proposal is simply a military trick designed either (a) to obtain, without intention of a cease-fire being put into effect, a short period of military relaxation during which UN armies would be expected to remain mostly passive, or (b) to gain a respite, under a temporary cease-fire, during which the Communist armies could be re-built and re-equipped, possibly with the addition of substantial air power.

It would be most difficult, however, to argue reasonably that the Kremlin would attempt a maneuver as involved and as potentially hazardous as that suggested under (a) above. General discussions about a truce obviously could not be expected to ground the UN air force in Korea; nor could anyone on the Soviet side have any assurance that the UN ground armies would be in fact permitted to remain passive. Any effect on morale would obviously work two ways.

The "respite and rebuilding" possibility would appear to have somewhat greater validity since the problem of assembling materiel and manpower for use in Korea is clearly a serious one for the Chinese. The Communists, however, even if they could expect US acceptance of a cease-fire that would leave them free to effect the needed build-up, would have to reckon that a deliberate maneuver along this line would represent a policy decision of the gravest moment for Peiping and Moscow. The

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Kremlin would have to recognize that its renewal of the war after a cease-fire period would be generally regarded in the West, and particularly in the US, as highly provocative, and that pressures which are already strong in this country for an extension of the war would be powerfully re-inforced. The Communists would have to consider that a renewal of the war under these circumstances would entail the very grave risks described by the Secretary in his Congressional testimony of June 27.

While the above possibilities remain open, present indications point sharply to the supposition that the Kremlin is at this stage intent upon securing an end to the war. If this should in fact turn out to be the case and the Communists accepted arrangements providing for the status quo ante, it would mark an important turn in its policy. It would represent a distinct loss of prestige for both Moscow and Peiping. The Communists would of course interpret a 38th parallel settlement as a great victory; in fact for some time they have given heavy play to the theme that the Americans have already suffered "a decisive defeat." Nevertheless no amount of propaganda could disguise that a status quo ante arrangement would constitute failure of the Communist aggression and involve a failure to achieve Chinese Communist and Soviet objectives. It would give the lie to all Communist pronouncements, including those of Stalin himself, on the capabilities of the contending parties and predictions as to the inevitable outcome.

Moreover, the Kremlin would be relinquishing certain advantages it may have felt it was gaining from the indefinite continuation of the Korean war: the tying up of large US forces and material which might now be available for other areas, the strains on popular morale in the US and other countries with troops in Korea, and obvious benefits that world Communism has been able to secure from an active war scare.

A Soviet decision for a status quo ante settlement would represent a Kremlin calculation that advantages of continuing the Korean conflict were outweighed by its disadvantages. The Kremlin would have made such a calculation on the basis of considerations arising from (a) the local situation in Korea and/or Communist China, (b) the impact of the Korean conflict on broader issues, or (c) a combination of these two.

From the local standpoint, intelligence data have indicated that on the basis of military factors alone the Communist camp

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currently is not under strong compulsions to effect an early end to the fighting. Communist forces in Korea at present appear to retain the capability not only to fight a war of attrition for a prolonged period, but also to launch new limited offensives. It has been clear for some time, however, that without a substantial addition in Soviet support, particularly large-scale air power, the Communists have no prospect of victory in Korea. Moreover, there have been numerous indications that the Korean operations are increasingly straining both China and North Korea. Chinese PW interrogations have revealed extensive and growing economic and political problems in North Korea, food shortages at the front and in Manchuria, labor shortages in China, growing weakness in the North Korean army and a decided impact of battle casualties on the Chinese army. Reports from persons present in China have also noted increasing pressures on the regime, particularly in the economic sphere, and measures recently adopted by the Peiping government tend to support these observations.

It is entirely possible, therefore, that the Kremlin has decided for strictly local reasons that continuation of the Korean aggression is costing more than it is worth and must be written off as were the guerrilla campaign in Greece and the Berlin blockade. The Kremlin might calculate that the prestige loss involved in such a write-off would in part be compensated by these local gains: (a) the USSR being freed of the obligation of giving increasing support to military operations; (b) reduction of strains that have apparently existed for some time in relations between the Chinese and North Koreans and may be developing between Peiping and Moscow; (c) relief of pressures on the North Korean regime and preservation of North Korea as a Communist puppet, something that might not be possible at a later date without heavy Soviet sacrifices; and (d) relief of China from pressure generated by the Korean effort.

In addition to local consideration, or even if local considerations appear to the Kremlin far less serious than suggested above, Moscow may have reached the conclusion that the Korean conflict was becoming a heavy liability in the prosecution of its campaign to weaken the Western countries. A conclusion to this effect would not of course imply a decision to abandon or modify this campaign itself. This campaign currently centers on preventing the US from developing a power system adequate to counter-balance the power system of the USSR through:

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(a) prevention of German and/or Japanese rearmament, (b) prevention of the transformation of the North Atlantic bloc into an effective military organization; and (d) discouraging US rearmament.

The Kremlin has since the war appeared to view local issues in the context of the global situation. It has appeared to tailor particular policies to what it considered the requirements of the over-all power complex. It has even given up immediate advantages, or failed to exploit apparent local opportunities, when adverse effects on its general strategic position appeared likely to result.

It has obviously been clear to Moscow that the Korean conflict serves as an important stimulus to Western, particularly US, rearmament efforts, including Western efforts to transform the North Atlantic Treaty organization into an effective military instrument. Moscow also must be aware that the Korean situation has strongly influenced US policy toward Japan. Moreover, the MacArthur hearings could have left the Kremlin under no illusions as to the danger that the Korean conflict might spread and present to the USSR the alternative of having either to intervene itself, thus precipitating a general war under circumstances perhaps not to its choosing, or accept the risk of a major Communist military defeat in Asia.

From the global standpoint, recent events, both Korean and non-Korean, have appeared to leave Moscow in a situation where it was not only receiving no dividends in the way of checking the Western power build-up from its various pressure operations, but was actually contributing to this build-up. Within the last few months Moscow has been faced with these adverse developments: (a) the US has crystallized its plans for a Japanese treaty, which the USSR considers a major step toward Japanese rearmament, and has apparently secured necessary Japanese and Allied agreement to these plans; (b) the Western powers stood firm in the face of Soviet maneuvers at Paris and broke off discussions rather than yield to Soviet demands; (c) the West German government demonstrated, through its handling of the Communist plebiscite campaign, that it is capable of dealing with disruptive efforts of local Communists; (d) the French and Italian elections resulted in no improvement in the political position of Communists in those countries; (e) there has at least been considerable fanfare in connection with the establishment of a unified Western army under American command; (f) the admission of Greece and Turkey to the North Atlantic organization has become a distinct possibility; (g) American overseas bases have been strengthened and extended; (h) the MacArthur hearings clearly revealed that US

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concern over a possible early conflict with the USSR was very real and that this concern was responsible for the sense of urgency in US mobilization; (1) US mobilization itself began to gather impressive momentum.

The current trend may well have been appraised by the Kremlin as presaging a marked adverse change in the relative military power position, particularly the beginning of large-scale Japanese and German rearmament. If so the Kremlin may have decided to adopt a policy of superficial accommodation in the hope that the stimulus for Western rearmament and Western unity would be reduced. If so a Korean settlement will almost certainly be but a phase of a general campaign which would involve new Soviet approaches in other areas of dispute.

It appears ~~likely~~ that among the first of such new approaches would be a ~~Kremlin~~ attempt to secure favorable consideration of its ~~position~~ on a Japanese treaty. Moscow and Peiping may have ~~calculated~~ that to end the Korean war would drastically alter the political climate in the Far East and probably cause many nations to be more receptive to Soviet proposals.

Another move for a CFT meeting on European problems also appears a likely possibility. Moscow has not yet officially reacted to the break-off of the Paris meeting and has still not rejected the renewed US invitation to hold a meeting without further preliminary discussion. Soviet propaganda has emphasized that the West has made impossible a meeting, but officially the Kremlin still has complete freedom of action.

Renewed Kremlin efforts for "negotiated" settlements will not necessarily carry with them any important shift in the positions that Moscow has steadfastly adhered to. There may be a studied effort to give an impression of reasonableness and willingness to compromise, and to create a general atmosphere of good-will, possibly even with offers of attractive but to the USSR unessential adjustments. But it cannot be assumed that the Kremlin will be willing to yield any major advantage it now has in order to secure agreement.

If Moscow does resort to such a "reconciliation" campaign and this fails to produce the desired objectives, particularly the prevention of effective German and Japanese rearmament, the Kremlin will find itself close to the point where it will have to choose between embarking on a genuine retreat or resorting to a new use of force.

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